

PRESS RELEASE

CONTACT:

RETAILERS STEP UP EXPANSION PLANS AS CONFIDENCE RETURNS

- Large-scale expansion back on the cards for 2011 -

Cannes/London, 22 November 2010 – Retailers intend to ramp up their expansion plans in 2011, signalling a return to confidence in the sector as an increasing number of retailers look to significantly increase their store networks next year. New international retail research by the world's leading real estate advisor, CB Richard Ellis (CBRE), revealed that over 50% of retailers are planning to open more than 10 stores in the Europe, Middle East and Africa (EMEA) region by the end of 2011, a jump compared to 12 months ago when just under half the retailers CBRE surveyed intended to open less than five stores during 2010.

CBRE's research report – ***How Active are Retailers in EMEA?*** – examines the attitudes and 2011 expansion plans of 212 leading retailers, based on interviews conducted over the summer of 2010.

The number of retailers planning to expand their presence on a major scale has increased considerably – 19% are planning to open 40 or more new stores in 2011, compared with only 13% in last year's survey. This clear rise in large-scale expansion has been backed by many recent retailer announcements regarding planned store growth. Forever21, the US clothing fashion brand, recently revealed plans to launch an assault on the UK market with an aim to open more than 100 stores, with other brands such as Aldo, Superdry and Hollister, all also on the expansion trail.

Mid-range Fashion and Value & Denim¹ retailers plan to create the largest increases of any sector in the rate of new openings in 2011, with 28% of those retailers looking to open more than 30 stores next year compared to 16% in 2010. This taps into the resilience and increasingly positive outlook

¹ See *How Active are Retailers in EMEA?* for retailer categories and further details on methodology.

for consumer spending in this key fashion sector, whilst the Value & Denim retailers are taking the opportunity to gain market share as shoppers trade down during ongoing economic uncertainty.

Peter Gold, Head of EMEA Cross Border Retail, CB Richard Ellis, commented: “Retailer sentiment has risen markedly since its low point last year. It is clear that more retailers are now feeling confident enough to accelerate their expansion. Retailer openings have picked up over the past 12 months, with retailers expanding aggressively around Europe. However, while some retailers see the current market as a time of opportunity, some are still cautious and will be looking to minimise risk. The preferred expansion option by far is to enter new cities in existing markets.”

The report also revealed that Germany retained its position as the number one target country for retailers looking to expand in the EMEA region. 41% of retailers surveyed are looking to Germany for 2011 expansion, followed by Poland and France to make up the top three destinations, with 33% of retailers targeting those next year. Before the end of 2011, international retailers intend to expand their store networks into 38 countries across EMEA, reflecting their ambitious and growing expansion plans across a wide range of markets. Whilst the core Western European markets remain a popular target, representing seven of the top 10 country targets for expansion next year, many retailers are now also preparing to expand into the emerging markets of the region. This is backed by the number of emerging markets which have risen into the top destinations list for 2011, now accounting for half of all the top 20 targeted countries.

Top 20 Country Targets		
Rank 2010	Country	% of Retailers Targeting Country
1	Germany	41%
2	Poland	33%
3	France	33%
4	Spain	30%
5	United Kingdom	29%
6	Russia	28%
7	Czech Republic	28%
8	Italy	27%
9	Austria	27%
10	Belgium	25%
11	Netherlands	24%
12	Switzerland	23%
13	Hungary	22%
14	Bulgaria	19%
15	Romania	17%
16	Turkey	16%
17=	Portugal	16%
17=	Ukraine	16%
19	Slovakia	15%
20	Croatia	14%

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CB Richard Ellis Press Release

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